

## **The complaint**

Ms H and Mr S have complained that Casualty & General Insurance Company (Europe) Ltd unreasonably deducted varying sums from their claim for treatment of their dog under their pet policy. They've also complained that it increased their premium due to the breed of their dog.

Given Mr S has been involved with us throughout for ease of reference I shall just refer to him.

## **What happened**

Mr S' young dog became ill with vomiting and diarrhoea and required in patient care from his vet. When Mr S' vet presented the claim to Casualty, it removed the following from the costs:

- £106.41 for fluid therapy
- £37.03 for hospitalization
- £92.06 related to supplements
- £189.67 in additional premium

Casualty explained in its final response letter that these costs were removed in accordance with the policy terms. It however, agreed that it was wrong to have charged Mr S an increased premium and it said it would refund that. Mr S by the time he brought his complaint to us this premium refund hadn't happened.

As Mr S didn't agree with Casualty's reasons for the deductions which he explained at some length, he brought his complaint to us.

The investigator was of the view that Casualty were not reasonable or fair in deducting the amounts for fluid therapy and hospitalisation. She thought the deduction for the supplements was in line with the policy terms. And obviously since Casualty had already agreed to refund the premium increase, she considered that was fair.

Mr S agreed with the investigator's view, but Casualty didn't. So, Mr S' complaint has been passed to me to decide.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so I'm uphold this complaint along the same lines as the investigator. I'll now explain why.

First, I want to thank Mr S for the level of detail he provided in his complaint, which I have found very useful and clear.

Secondly, I agree that the probiotic supplement prescribed for Mr S' dog is covered by the policy wording as being excluded from any claim. And I consider the policy is clear that costs for food, vitamins or supplements are just not covered. This is because the policy says the following:

*'What is not insured?...  
Any costs for food, vitamins or supplements, whether or not prescribed by Your Vet;'*

Turning now to fluid therapy costs. The policy says the following:

*'Vet Fees will only be paid if they are: -  
Reasonable; and Essential for Your pet's health and well-being. We may limit any payment to a maximum mark-up of 100% for veterinary Treatment, medication and dispensing fees.'*

Casualty explained in its final response letter that these 'reasonable' costs were set at £100 per 24 hours for fluid therapy and £100 per 24 hours for hospitalisation. And these amounts were set by the insurer who did statistical research of what a 'reasonable' fee was. Given vet fees change regularly putting definitive amounts of costs in the policy terms couldn't be done.

However, I don't consider this is adequate for several reasons, vet fees do change regularly, and not all vets charge the same for the same things either. Some vets in parts of the country would have higher outlay on premises for example than in other parts of the country. 'Reasonable' is also a wholly subjective term, so given the above what may be reasonable in one part of the country might not be reasonable in another. Insurers are required by the Financial Conduct Authority to treat all their customer's fairly which means treating them all the same in similar circumstances and not singling out any individual customer or set of customers from others. Casualty's approach here isn't my view ensuring this coherently. Casualty also hasn't disclosed its 'research' so it can be analysed coherently.

So, it hasn't shown me the figure of £100 per 24 hours for fluid is reasonable. The term also provides little clarity for the consumer either, given the variation of vet fees and what might be charged when like, for Mr S, his dog was very seriously ill for a time. When terms in a policy aren't clear or indeed reasonable the law requires, they are interpreted in favour of the consumer as of course the consumer hasn't drafted the term or required it in the policy. So therefore, I don't consider it was reasonable for Casualty to deduct £106.41 for fluid therapy and it should now refund this to Mr S with interest.

Much of the above is also relevant to the hospitalisation costs, too. Additionally, hospitalisation isn't defined in the policy either. Here Casualty also referred to the following in support of its deductions:

*'What is not insured ... As with all insurance policies, there are exclusions and conditions that apply to Your coverage. We have listed below the exclusions that apply to this section of coverage...'*

*'Any claim where the cost of a referral consultation exceeds £200 and where hospitalisation costs exceed £100 per day.'*

It also explained how it made the deductions from Mr S' claim as follows:

*'Hospitalisation over £100 (per 24hrs) – note that we do not cover any claim where hospitalisation costs exceed £100 per day. As per the broken down invoice we have received from your vet, these are the items that this relates to and the date that they were invoiced:*

- 09/09/2021 – hospitalisation and nursing - £72.66 & inpatient examination - £45.99; total invoiced £118.65 (exceeds cap by £18.65 so we have covered £100 only)*
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Without any definition of what constitutes hospitalisation, which isn't mention in the definition for 'treatment', the issue becomes even less clear. The policy obviously covers the cost of vet fees providing treatment to the ill or injured pet insured. Treatment and vet fees are defined as follows:

*'Treatment ... Means any consultation, examination, advice, tests, x-rays, slides, ultrasound, MRI scans, medication, surgery or nursing care that has taken place and been recommended and provided by a Vet...*

*Vet Fees... Means the fees charged by Your Vet for the medical Treatment of an Illness or Accidental Injury.'*

And under section 1 (Veterinary fees) the terms of policy say:

*'What is insured?... This section of Your Policy covers Treatment carried out by a Vet for treating an Illness or Accidental Injury suffered by Your pet whilst insured with Us.'*

Like the investigator, I consider this means that treatment includes consultation and examination, so there is little reason why the examination costs should be classed as the undefined hospitalisation costs and therefore deducted by Casualty.

Indeed, I consider it is very unclear and confusing, which means it must be construed in the consumer's favour, so it should refund Mr S the sum of £37.03 also with interest.

Lastly as it agreed it wrongly increased Mr S' premium, if it hasn't done so already, it should refund the increase with interest.

## **My final decision**

So, for these reasons, it's my final decision that I uphold this complaint.

I now require Casualty & General Insurance Company (Europe) Ltd to the following:

- Refund Ms H and Mr S the sum of £106.41 for fluid therapy and £37.03 for hospitalization. Adding interest of 8% simple from the date Ms H and Mr S paid their vets for these costs to date of its refund.
- If it hasn't already done refund Ms H and Mr S the premium increase of £189.67. Also adding interest of 8% simple per year from the date Ms H and Mr S paid the increased premium to the date of its refund.
- If income tax is to be deducted from the interest, appropriate documentation should

be provided to Ms H and Mr S for HMRC purposes.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H and Mr S to accept or reject my decision before 20 October 2022.

Rona Doyle  
**Ombudsman**